

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 2019 - SB 1960**

February 23, 2016

**SUMMARY OF BILL:** Increases, from 25,000 to 30,000 barrels, the number of barrels of beer that a manufacturer may sell annually at retail on location of the manufacturing site.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – To the extent a beer manufacturer sells at retail more than the current 25,000 barrel limit of beer on location of the manufacturing site in future years, there would be a recurring increase in state beer barrelage tax revenue and additional state and local sales tax revenue. The extent and timing of any future revenue is unknown. Otherwise, the fiscal impact of the bill is considered not significant.**

Assumptions:

- Tenn. Code Ann. § 57-5-201 requires a \$4.29 tax per barrel of beer stored, sold, distributed by gift or sale or manufactured in this state; of this, \$0.50 is earmarked for the Highway Fund.
- No manufacturers of beer in the state are currently believed to have reached the 25,000 barrel limit for on location retail sales.
- In the event that a manufacturer reaches the 25,000 barrel limit in future years, there would be an increase in state and local tax revenue. It is estimated that the fiscal impact will be not significant for several years into the future. The timing and precise amount of any recurring increase in tax revenue cannot be reasonably determined.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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